

Bank Canadian National
96th Annual Statement / 1970

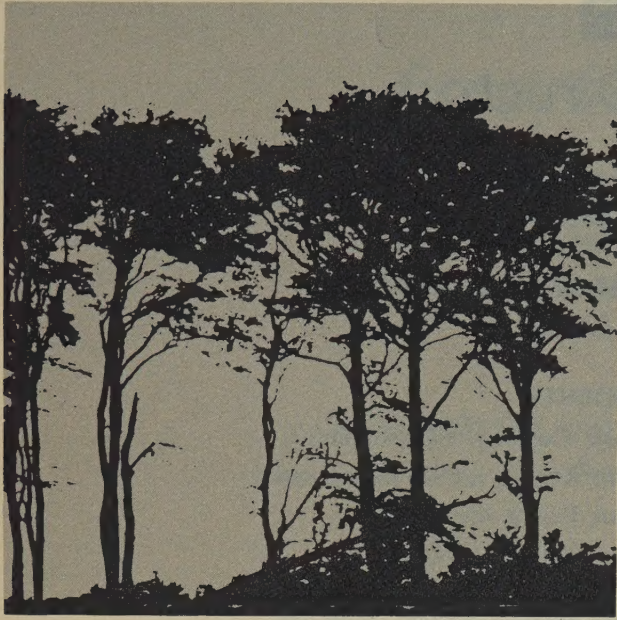
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NOTICE TO SHAREHOLDERS

The Annual General Meeting of Shareholders will be held on December 10, 1970 at eleven o'clock a.m. at the Queen Elizabeth Hotel, Montréal



Highlights

	1970	1969
Assets	\$1,907,977,767	\$1,671,624,797
Deposits	1,748,703,838	1,518,147,566
Loans	1,073,895,300	998,105,079
Net Profits	6,634,929	5,732,235
Earnings per share	1.11	0.96
Provisions for income taxes:		
on balance of profits after appropriation for losses	7,218,000	6,217,000
on appropriation for losses	4,113,000	2,937,000
Capital (per share \$2.00)	12,000,000	12,000,000
Rest account (per share \$9.00)	54,000,000	52,000,000

Statement of revenue, expenses and undivided profits

for the financial year ended October 31, 1970

REVENUE	1970	1969
Income from loans	\$ 96,406,614	\$ 75,177,032
Income from securities	32,158,636	25,804,935
Other operating revenue	16,964,069	17,218,088
Total revenue	<u>\$145,529,319</u>	<u>\$118,200,055</u>
EXPENSES		
Interest on deposits	\$ 73,239,535	\$ 53,678,855
Salaries, pension contributions and other staff benefits	32,502,679	30,060,097
Property expenses, including depreciation	7,997,914	7,422,285
Other operating expenses, including provision for losses on loans based on five-year average loss experience	10,236,262	9,589,583
Total expenses	<u>\$123,976,390</u>	<u>\$100,750,820</u>
Balance of revenue	\$ 21,552,929	\$ 17,449,235
Appropriation for losses	7,700,000	5,500,000
Balance of profits before income taxes	\$ 13,852,929	\$ 11,949,235
Provision for income taxes relating thereto	7,218,000	6,217,000
Balance of profits for the year	\$ 6,634,929	\$ 5,732,235
Dividends	4,320,000	3,960,000
Amount carried forward	\$ 2,314,929	\$ 1,772,235
UNDIVIDED PROFITS		
Balance at beginning of year	758,844	986,609
	<u>\$ 3,073,773</u>	<u>\$ 2,758,844</u>
Transferred to Rest account	2,000,000	2,000,000
Balance at end of year	<u>\$ 1,073,773</u>	<u>\$ 758,844</u>
Earnings per share	<u>\$ 1.11</u>	<u>\$ 0.96</u>
REST ACCOUNT		
Balance at beginning of year	\$ 52,000,000	\$ 50,000,000
Transferred from undivided profits	2,000,000	2,000,000
Balance at end of year	<u>\$ 54,000,000</u>	<u>\$ 52,000,000</u>

Statement of accumulated appropriations for losses

for the financial year ended October 31, 1970

	1970	1969
Accumulated appropriations for losses at beginning of year:		
General	\$ 19,428,463	\$ 21,771,960
Tax-paid	7,317,155	4,016,067
Total	<u>\$ 26,745,618</u>	<u>\$ 25,788,027</u>
Add (or deduct) during year:		
Appropriation from current year's operations	\$ 7,700,000	\$ 5,500,000
Loss experience on loans less provision included in other operating expenses	(372,686)	98,773
Profits and losses on securities, including provisions to reduce securities other than those of Canada and a province to values not exceeding market	(3,306,727)	(2,508,508)
Other profits, losses and non-recurring items, net	(1,038)	804,326
Provision for income taxes	(4,113,000)	(2,937,000)
	<u>\$ (93,451)</u>	<u>\$ 957,591</u>
Accumulated appropriations for losses at end of year:		
General	\$ 16,026,317	\$ 19,428,463
Tax-paid	10,625,850	7,317,155
Total	<u><u>\$ 26,652,167</u></u>	<u><u>\$ 26,745,618</u></u>

Statement of assets and liabilities

as at October 31, 1970

ASSETS	1970	1969
Cash and due from banks	\$ 182,362,422	\$ 118,408,865
Cheques and other items in transit, net	67,426,467	57,513,617
	<u>\$ 249,788,889</u>	<u>\$ 175,922,482</u>
Securities issued or guaranteed by Canada, at amortized value	291,932,357	245,728,073
Securities issued or guaranteed by a province, at amortized value	59,050,573	50,112,666
Other securities, not exceeding market value	145,490,571	119,332,333
Day, call and short loans to investment dealers and brokers, secured	65,538,281	78,771,148
	<u>\$ 811,800,671</u>	<u>\$ 669,866,702</u>
Other loans, including mortgages, less provision for losses	1,008,357,019	919,333,931
Bank premises at cost, less amounts written off	20,719,128	19,247,658
Securities of and loans to corporations controlled by the Bank	4,608,300	6,239,150
Customers' liability under acceptances, guarantees and letters of credit, as per contra	62,246,488	56,550,781
Other assets	246,161	386,575
	<u><u>\$1,907,977,767</u></u>	<u><u>\$1,671,624,797</u></u>

LIABILITIES	1970	1969
Deposits by Canada	\$ 16,009,977	\$ 22,156,189
Deposits by a province	32,613,866	26,044,564
Deposits by banks	91,368,109	14,733,982
Personal savings deposits payable after notice, in Canada, in Canadian currency	890,581,931	787,907,525
Other deposits	718,129,955	667,305,306
	<u>\$1,748,703,838</u>	<u>\$1,518,147,566</u>
Acceptances, guarantees and letters of credit	62,246,488	56,550,781
Other liabilities	3,301,501	5,421,988
Accumulated appropriations for losses	26,652,167	26,745,618
CAPITAL:		
Authorized: 12,500,000 shares of \$2.00 each — \$25,000,000		
Paid up: 6,000,000 shares of \$2.00 each	12,000,000	12,000,000
Rest account	54,000,000	52,000,000
Undivided profits	1,073,773	758,844
	<u>\$1,907,977,767</u>	<u>\$1,671,624,797</u>

LOUIS HÉBERT

President

RENÉ LECLERC

Vice-President and Chief General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the statement of assets and liabilities of the Bank Canadian National as at October 31, 1970 and the statements of its revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the financial year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at October 31, 1970, and its revenue, expenses, undivided profits, accumulated appropriations for losses and its rest account for the financial year ended on that date.

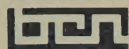
AUDITORS

JEAN VALIQUETTE, C.A.
of Maheu, Noël, Anderson, Valiquette & Associés

FRANK T. DENIS, C.A.
of Peat, Marwick, Mitchell & Co.

Montréal, November 18, 1970

Statements of assets and liabilities of controlled companies of Bank Canadian National



Banque Canadienne Nationale (Europe)

Statement as at December 31, 1969

ASSETS

Cash and due from banks	F.F. 21.294.682,08
Securities	2.000.000,00
Loans, less provision for losses	12.257.173,74
Bank premises, less depreciation	3.142.519,83
Other assets	427.373,65
	<u>F.F. 39.121.749,30</u>

LIABILITIES

Deposits	F.F. 13.475.360,13
Amounts due to other banks	14.800.412,06
Amount due to Bank Canadian National	7.253.886,00
Other liabilities	565.801,82
Capital stock authorized and issued: 10,000 shares of F.F. 250 each	2.500.000,00
Reserves	252.413,92
Undivided profits	273.875,37
	<u>F.F. 39.121.749,30</u>

NOTE

Bank Canadian National owns 60% of the capital stock of this controlled company, including the directors' qualifying shares. As at December 31, 1969, this investment was carried on the books of the Bank at \$289,650.

AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK CANADIAN NATIONAL

We have examined the statements of assets and liabilities of controlled companies of Bank Canadian National as at the dates indicated. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the companies as at the dates indicated.

Compagnie Immobilière BCN Ltée

Statement as at October 31, 1970

ASSETS

Cash in bank	\$ 41,160
Income taxes to be recovered	4,924
Real estate and rights in an emphyteutic lease, less depreciation	<u>3,559,101</u>
	<u>\$3,605,185</u>

LIABILITIES

Loan from Bank Canadian National	\$1,500,000
Capital stock author- ized and issued: 20,000 shares of \$100 each	<u>\$2,000,000</u>
Undivided profits	<u>105,185</u>
	<u>2,105,185</u>
	<u>\$3,605,185</u>

NOTE

The Bank Canadian National owns the entire capital stock of Compagnie Immobilière BCN Ltée, with the exception of the directors' qualifying shares. This investment is carried on the books of the Bank at \$1,999,500.

The Company has been assessed for income taxes for 1964 the basis of which is presently under appeal. In the event the Company is not successful in its claim additional taxes for subsequent years would amount to \$128,000 for which no provision has been made.

AUDITORS

JEAN VALIQUETTE, C.A.
of Maheu, Noël, Anderson, Valiquette & Associés

FRANK T. DENIS, C.A.
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Montréal, November 18, 1970

